# Advantage 601
# Fixed Assets

**Help Desk**
Advantage Training
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Please refer to the Amendments book on the OSC Accounting website to see if any modifications have been made to this training book since this version was published.

# Fixed Assets
# Table of Contents

# 1 – Orientation

This course will introduce you to how the State of Maine uses Advantage to run the Fixed Assets process. A fixed asset (FA) is an asset, which is not consumed, with a useful life of more than one year. An asset of an organization is classified as a Fixed Asset for accounting purposes if it is designated as one of the following:

- All land (including ancillary costs)
- The State highway system operated by the Department of Transportation
- Infrastructure, other than the State highway system, with a cost of $3,000 or greater
- All other capital assets with a unit cost (including ancillary costs) of $3,000 or greater

**NOTE:** Capital leases have specific requirements to be considered a capital asset. A lease must meet one or more of the following four criteria to qualify as a capital lease:

1. Ownership of the leased property is transferred to the State by the end of the lease term
2. The lease contains a bargain purchase option
3. The lease term is equal to 75 percent or more of the estimated useful life of the leased property
4. The present value of the lease payments, excluding ancillary costs, is 90 percent or more of the fair value of the leased property.

Government assets are recorded in a General Fixed Assets Account Group, while capital assets acquired by and used in proprietary and trust fund type accounts are recorded in the fund itself.

Examples of fixed assets are: Land, Buildings, Improvements other than Buildings, Equipment and, Furniture, Vehicles, Intangibles/Easements, Infrastructure, Historical Treasures and Works of Art, Construction In Progress and Shop Equipment.

Advantage Fixed Asset processes enable users to manage and control their organization's fixed assets throughout the life cycle of the asset. The tracking of a fixed asset begins with the acquisition of the asset, includes any maintenance transactions to record asset changes (such as improvements, modifications and transfers), and ends with asset disposal.

The State acquires real property, as well as equipment, machinery, historical treasures, vehicles, software and other intangibles. Fixed assets are acquired through purchase, capital lease, replacements, renovations, donations, grants, re-organizations and transfers from other state agencies. Agencies also track assets which are not owned in order to comply with contractual agreements.

## Prerequisites

You should have completed the following courses before continuing:

- Advantage 101 Intro to Advantage
- Advantage 201 Chart of Accounts

## Learning Objectives

At the conclusion of this session, you will be able to:

- Establish a fixed asset
- Review fixed asset thresholds
- Describe the shell generation process
- Review the Fixed Asset Payment Request (FAPR), a table that is used to generate shells and provide searching capabilities, and Shell generation process and how it uses the Payment Request (PRC) and Automated Disbursements (AD) documents
- Discuss system criteria to allow shell generation and review the policy for a missing shell
- Create a fixed asset acquisition (FA) document manually
- Add a Betterment to an existing fixed asset (FA)
- Process adjustments to fixed assets by establishing fixed asset documents (FD, FX, FI, FP, FE, FM, ME)
- Cancel a fixed asset (FC)
- Dispose of a fixed asset (FD)
- Review the Construction-in-Progress process and understand its relationship with Fixed Asset documents
- Review fixed asset inquiry tables  (Fixed Asset Registry (FAR) Header, FAR Component, FAR Accounting, FAPR, and Fixed Asset History (FAHIST))
- Review fixed asset validation tables: Fixed Asset Disposition Method (FADM), Fixed Asset Group (FAGRP), Fixed Asset Group Class (FAGCS), Custodian (CUSD), Fixed Asset Capitalization Criteria (FACC), Fixed Asset Type (FATP), Location (LOC) and Location Class (LCLS)
- Review System tables: Commodity (COMM), Commodity Fixed Assets (COMMFA), System Options (SOPT)
- Review the approval process for fixed assets
- Review fixed asset reports
- Work with error messages and handling

## Changes and Improvements

The most notable changes to Advantage in the Fixed Asset module are:
- The addition of new fields on the Modification (FM) document, include Asset Impairment, Statistical Units and Statistical Units of Measure, account for Government Accounts Standards Board (GASB) requirements
- The creation of two depreciation tables to help with reporting and auditing:
    - o   FA Depreciation Elements Change (DEPEC)
    - o   FA Depreciation History (DEPH)

# Fixed Asset Document Codes and Applicable Event Types

The following table displays Fixed Asset document codes and applicable event types currently used by end-users in Advantage.

Unlike most Advantage documents where the event type field is located on the Accounting line, the Fixed Asset documents' event type field is located on the Header line. The event type signifies what posting codes will be used while also bringing in specific rules for data entry concerning referenced transactions, customer codes, vendor codes, and all defined Chart of Account elements in the system.

The user can either: enter the event type, select an event type and name combination from the pick list for a particular document event code, or let it default for a document with a stated default event type. The system will never default an event type over one entered by a user. If the data entered is not correct for the event type, error messages will be issued.

| Fixed Asset Function | Document Code | Description | Event Type |
|---|---|---|---|
| Acquisition—Adding Fixed Asset | FA | Fixed Asset Acquisition Document | FA01 **(Default)** |
| Acquisition—Increase Asset Value for Shell | | | FA10 |
| Acquisition—Unpend Shell | | | FA14 |
| Acquire FA Internally | | | FAM2 |
| Betterment | | | FA02 |
| Internal Betterment | | | FA28 |
| Disposition | FD | Fixed Asset Disposition Document | FA04 **(Default)** |
| Internal Sale | | Fixed Asset Disposition/Acquisition | FAM1 |
| Modification—non accounting impact | FM | Fixed Asset Modification Document | FA05 |
| Increase/Decrease Value of asset | FI | Fixed Asset Increase / Decrease Document | FA07 |
| Fixed Asset Type Change | FX | Fixed Asset Type Change | FA08 |
| Cancellation | FC | Fixed Asset Cancellation Document | FA11 |
| Sales Price Change | FP | Fixed Asset Price Change Document | FA12 |
| Fixed Asset Depreciation | FE | Manual Depreciation | FA03 |
| Mass Depreciation | ME | Mass Depreciation | FA13 |

# Inquiry Table Crosswalk

| Business Process | Advantage Inquiry Table |
|---|---|
| Summary status of assets | Fixed Asset Registry Header (FARHDR) |
| Current detail status of an asset by component number | Fixed Asset Registry Component (FARCOMP) |
| Funding Source | Fixed Asset Registry Accounting (FARACTG) |
| Fixed Asset Payment Request fields and status of shell generation | Fixed Asset Payment Request table (FAPR) |
| Detail information for each Fixed Asset | Fixed Asset History  (FAHIST) |

# Validation Tables

| Field Being Validated | Advantage Table | Maintained By |
|---|---|---|
| Fixed Asset type | Fixed Asset Type (FATP) | Office of the State Controller (OSC) Accounting |
| Acquisition/Disposition Method | Acquisition/Disposition Method (FADM) | OSC Accounting |
| Fixed Asset Infrastructure Maintenance | Infrastructure Maintenance (FAIM) | OSC Accounting |
| Fixed Asset Group | Fixed Asset Group (FAGRP) | OSC Accounting |
| Fixed Asset Location | Fixed Asset Location (LOC) | OSC Accounting |
| Fixed Asset Location Category | Location Category (LCAT) | OSC Accounting |
| Fixed Asset Location Class | Location Class (LCLS) | OSC Accounting |
| Custodian | Custodian (CUSD) | OSC Accounting |
| Threshold | Commodity FA Threshold (COMMFA) | OSC Accounting |
| Fixed Asset Capitalization Criteria | Fixed Asset Capitalization Criteria (FACC) | OSC Accounting |

# Workspaces

The Fixed Assets Workspace takes you to the documents and tables you use every day in Advantage. The Workspaces are in the Primary Navigation Panel and by clicking on the Fixed Assets Workspace, links are provided for quick access.
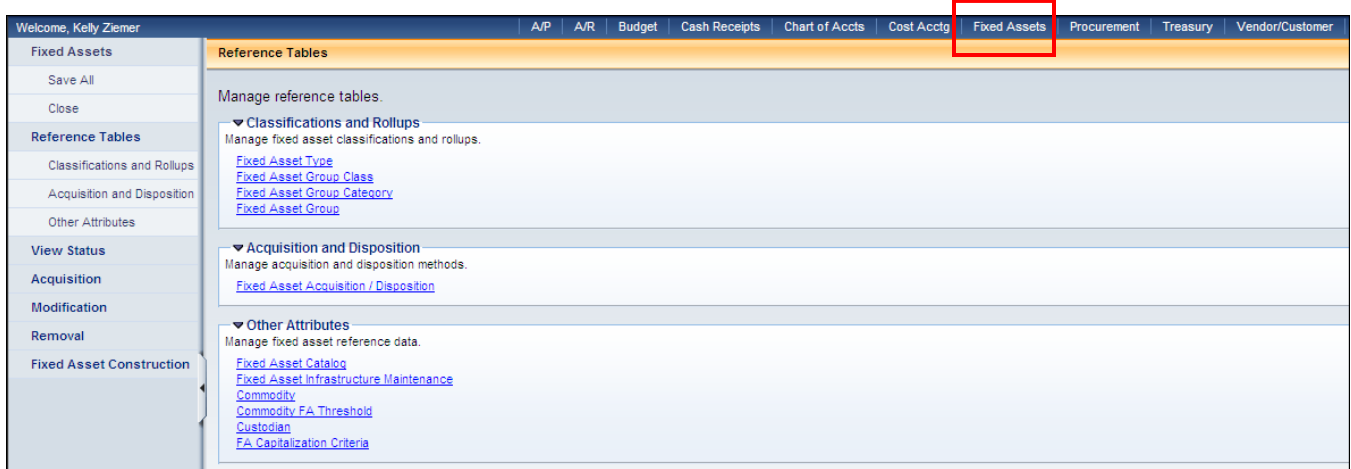


By selecting a link from the Secondary Navigation Panel, documents and tables are easily accessed. Click on the links in the Secondary Navigation Panel to review the information within each.
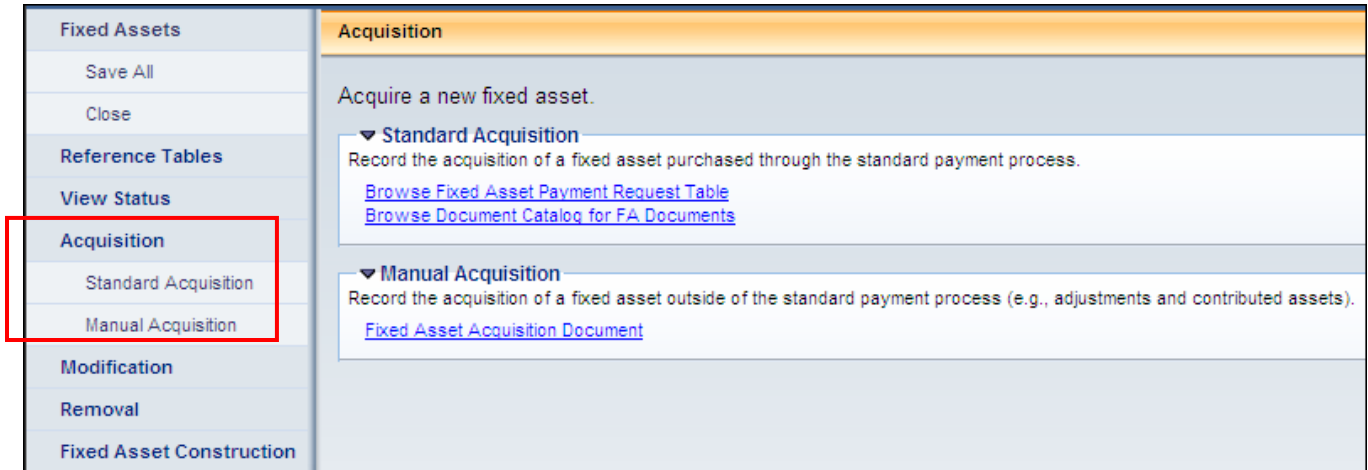
# Fund 100 GFAAG – General Fixed Asset Account Group

The balance sheet of governmental funds lists only those assets that represent financial resources available for current governmental activities. Capital assets represent past expenditures, not financial resources available for current governmental activities. For this reason, capital assets of governmental funds are not included on the balance sheet of the fund acquiring the asset, but in fund 100. Agencies process the capital assets purchase through the fund that owns the asset. Behind the scenes processing in Advantage will ensure that the balance sheet reporting will be correct.

Funds 010 to 019 are governmental funds, which mean that depreciation for these assets is not tracked at the specific fund but are tracked at fund 100. Once a Fixed Asset document is validated, and if it contains one of these assets in the fund field on the accounting line, the fund automatically changes to fund 100 at the posting line of the Fixed Asset document.

The Accounting line of an FE document. **NOTE:** the **Fund** field is 014.



The Posting line of the FE document. **NOTE:** the **Fund** field changes to 100.

## Resolving Issues

1.  When seeking help with Advantage, first look through the training documentation to see if your issue can be resolved by following steps in the course book or quick reference guide. All materials are posted on the OSC website.

2.  Contact a peer in your office to resolve the issue. This quick reference will result in the fastest problem resolution.

3.  Your Agency Training Lead is also a great resource. Please see Appendix A to view the departments with which each Agency Training Lead is associated.

4.  The State Help Desk is always an option. To contact, call 207.624.7700. Their hours of operation are 7:00am – 5:00pm Monday through Friday.

For more information on policies and procedures of the Advantage Help Desk, please go to the Office of the State Controller (OSC) website..

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# 2—Fixed Asset Acquisition (FA)—FA01

This process refers to the acquisition of a fixed asset. Advantage supports many types of fixed assets, including: land, buildings, improvements other than buildings, equipment, construction work-in progress, vehicles, historic treasures, non-collectible books, easements, software and other intangibles.

The Fixed Asset Acquisition (FA) document is used to record all newly acquired fixed assets. There are two ways to create an FA document:

- The system will generate an FA for the department using the system generated fixed asset shell. Refer to the Shell Generation section for detailed information.
- Advantage requires that an FA document be created manually if a shell has not been created (i.e. donated asset) or an asset is acquired by means other than a PRC document, such as purchases with a Procurement card (P-card).

Fixed asset acquisitions, which can be tracked as a betterment to an existing asset, are also entered into Advantage using an FA document. The difference between using the FA for an acquisition versus a betterment is the event type, which is specified on the FA document Header line. Betterments are tracked using the fixed asset number of the asset being bettered with a component number sequentially increased by one.

Most assets acquired by the State are composite assets. Composite assets consisting of multiple components are depreciated as a single asset based on depreciation attributes established on the asset header. To define an asset as a composite, you select the **Composite Indicator** checkbox in the Header section (under the **Composite Asset Information** subsection). Doing so affects what document components you can edit. These editing restrictions apply to recording new assets and to updating existing assets.

The other type of asset the State would use is the Memo Asset. Memo assets differ from composite assets in that they:

- Are tracked throughout Advantage but their accounting lines do not post to budget structures
- Are not depreciated
- Must meet the commodity asset threshold (COMMFA) but not the capitalization threshold (FACC)

If you would like to specify an asset as Memo, click the Memo Asset checkbox in the Header of the FA document.

The State establishes the commodity codes and dollar threshold used for the shell generation process by department. The system tables used to generate shells are: the Commodity Code table (COMM), the commodity FA Threshold table (COMMFA) and the Fixed Asset Payment Request (FAPR) table. These tables are discussed in the following section.

# Thresholds

The Commodity Code table (COMM) and the Fixed Asset Capitalization Criteria (FACC) are used to set up and verify thresholds. For the following screen shots, the same commodity code is used throughout in order to highlight the relationship between these tables.

## *COMM Table*

The COMM table is used to flag commodities which are considered fixed assets, as well as default the **Fixed Asset Type** field on the PRC document. In order for an FA shell to be generated, a commodity that is flagged as a Fixed Asset must be selected on the purchase order and payment (PRC) documents.

Access the Commodity table. You can use Page Search or **Jump To.** Enter **COMM** in the field. The Commodity page opens.

Once the commodity code is established as active and a fixed asset, the Commodity's dollar threshold can be established on the COMMFA table.

**NOTE:** To transition from the COMM table to the COMMFA table, click <u>Commodity Fixed Asset Threshold</u> at the bottom the table.

Access the table. You can use Page Search or **Jump To.** Enter **COMMFA** in the field. The Commodity FA Threshold page opens.



**NOTE:** To transition from the COMMFA table to the COMM table, click <u>Commodity</u> at the bottom left of the table.

## FACC Table

The Fixed Asset Capitalization Criteria (FACC) page defines the minimum criteria for fixed asset types by department. Once the shell is created, it then checks this table to verify that the fixed asset is supposed to be capitalized.

**NOTE:** Memo assets are not capitalized.

Access the table. You can use Page Search or **Jump To.** Enter **FACC** in the field. The Capitalization Criteria page opens.

## Shell Generation

In order for Advantage to create a Fixed Asset shell, the following criteria must exist:
- Commodity code is flagged as a Fixed Asset (see list of FA codes on OSC website.)
- Commodity code is setup on the COMMFA table with a threshold
- Commodity Line Type is Item and not Service (need quantity to determine number of shells)
- Shell Indicator on PRC Commodity Line is set to Multiple (default) or Single Shell
- PRC Line Amount is greater than $5000 (asset threshold), except for Land or X type assets which do not have a threshold
- Payment document has been disbursed

The Fixed Asset Shell Generation offline process creates a fixed asset acquisition "shell" document. It is referred to as a "shell" document because it includes some but not all required fields and must be processed further by users. The Shell Generation offline process creates Fixed Asset "shell" documents based on updates to the Fixed Asset Payment Request (FAPR) table that result from accepted payment request (PRC) which are **fully disbursed**.

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**NOTE:** If the minimum dollar value is not set for the commodity on the Commodity FA Threshold (COMMFA) table, but the commodity is flagged as a fixed asset on the Commodity (COMM) table, a shell will still be generated.

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## *PRC Commodity Line*

A PRC document creates shells based on the commodity code. Multiple shells will be generated based on the quantity. For example, if you purchase three computers, and a quantity of 3 is entered on the PRC document, Advantage will generate three shells.

On the PRC Commodity line **Fixed Asset Information** tab, choose the **Shell Indicator**. The following are the options:

- **Single Shell**—generates only one shell that would contain all units from the commodity line
- **Multiple Shell**—This is the default. This default can be over-ridden on the PRC document by selecting single shell or no shell on the commodity line. Multiple Shell generates a separate Fixed Asset Shell for each unit of the Payment Request commodity line.
- **No Shell**—this is used when the Line Type is Service or the item should not become an asset. In this case, no shell is generated.



Once the disbursement job and generate shell job are run, then the **Shell Generate Date** field on the PRC will update. This is the date the FA document is created.



## *PRC Accounting Line*

If you are posting directly to the fixed asset BSA, be sure to use event type of FA20 on the PRC Accounting line, rather than AP18. Otherwise, the payment will not be released.

Validate and Submit the PRC document. For additional information about the PRC document, please refer to the 401 Accounts Payable training book.

## *Fixed Asset Payment Request (FAPR) table*

Once the PRC document is created with a fixed asset commodity code, a record is loaded to the Fixed Asset Payment Request (FAPR) table.

From the Fixed Asset Workspace, click Acquisition. Click Browse Fixed Asset Payment Request table. The Fixed Asset Payment Request page opens. A search window also opens. Enter the PRC specifics.

*Payment Request and Purchase Order specifics on FAPR*

**Fixed Asset Payment Request**

| | Document | Doc Dept | Doc Unit | Doc. Id | Doc. VL No. | Doc. CL No. | Shell Generated Date |
|---|---|---|---|---|---|---|---|
| ✓ | PRC | 10A | | 20110406000000001206 | 1 | 1 | |

First Prev Next Last

Save Undo Copy    Search

▼ Payment Request Details

| | |
|---|---|
| Document : PRC | Commodity : 60003 |
| Doc Dept : 10A | Quantity/Unit : 1.00000 |
| Doc Unit : | Total Disbursed Amount : 5500.00 |
| Doc. Id : 20110406000000001206 | Acquisition Date : |
| Doc. VL No. : 1 | Pending Asset BSA : 0100 |
| Doc. CL No. : 1 | Pending Asset Sub BSA : |
| Vendor/Customer : VS0000010993 | |
| Fixed Asset Type : E | |

▼ Purchase Order Details

| | |
|---|---|
| Document : BPO | Doc. VL No. : 1 |
| Doc Dept : 10A | Doc. CL No. : 1 |
| Doc. Id : 20110406000000000413 | |

▼ Shell Generation Details

| | |
|---|---|
| Purge Shell Record : ☐ | Total Quantity/Unit Acquired : 0.00000 |
| Generate Multiple Shell : ☑ | Total Quantity Discarded : 0.00000 |
| Shell Generated Date : | Reversed (Unpend) Units : 0.00000 |
| Total Capitalized Amount : 0.00 | Reversed (Unpend) Amount : 0.00 |

Top

☐ FAPR Accounting Lines    ☐ Generated Shell Details

Click <u>FAPR Accounting Lines</u> to transition to the Disbursement section of FAPR.

Once the disbursement chain job is run, then the disbursement section of FAPR is updated. Click <u>Disbursement Lines</u> to view the associated disbursement document.

## Disbursement Details

| | Disb Document | Disb Doc. Dept. | Disb Doc. Id | Disb Doc. VL No. | Disb Doc. AL No. | Disb Doc. PL No. |
|---|---|---|---|---|---|---|
| ✓ | AD | 08C | 00000000000005143060 | 1 | 1 | 3 |

First Prev Next Last

Copy    Search

▼ Payment Request Details

PR Document : PRC

PR Doc. VL No. : 1

PR Doc. Dept. : 10A

PR Doc. CL No. : 1

PR Doc. Id : 20110406000000001206

PR Doc. AL No. : 1

▼ Disbursement Details

Disb Document : AD

Line Amount : 5500.00

Disb Doc. Dept. : 08C

Fiscal Year : 2011

Disb Doc. Id : 00000000000005143060

Budget FY : 2011

Disb Doc. VL No. : 1

Disb Doc. AL No. : 1

Disb Doc. PL No. : 3

▼ COA Elements Fund Accounting

Fund : 010

Object : 6401

OBSA : 0001

Sub Fund :

Sub Object :

Sub OBSA :

Department : 14A

Revenue :

Dept Object :

Unit : 2171

Sub Revenue :

Dept Revenue :

Sub Unit : 02

BSA :

Appr Unit : 012102

Sub BSA :

▼ COA Elements Detail Accounting

Location :

Reporting :

Program :

Sub Location :

Sub Reporting :

Major Program :

Activity :

Task :

Phase :

Sub Activity :

Sub Task :

Program Period :

Function :

Task Order :

Funding Profile :

Sub Function :

CAFR Activity Unit :

County :

Top

⬏ FAPR Accounting Lines    ⬏ FAPR Commodity Lines

## *Searching for your FA document*

The Generate Shell job is run nightly, creates the FA documents and leaves them in a Draft phase. There are two ways to find an FA document:

1. Check Document Catalog frequently to search for your FA documents. Review the document, populate any additional information and submit it so that it eventually moves to a Final phase.

2. Open the FAPR table and search for the PRC document you created.

## **Finding your FA document via Document Catalog**

The batch process sets the shell document (Fixed Asset Acquisition (FA) document) on the Document Catalog, once the commodity line is fully disbursed. All created shells are associated with one department. This is the department reflected on the related PRC document header and the department used when identifying the document on the Document Catalog.

Click the <u>Fixed Assets </u>Workspace. Click <u>Acquisition</u>. Click <u>Browse</u> <u>Document Catalog for FA</u> <u>Documents</u>.
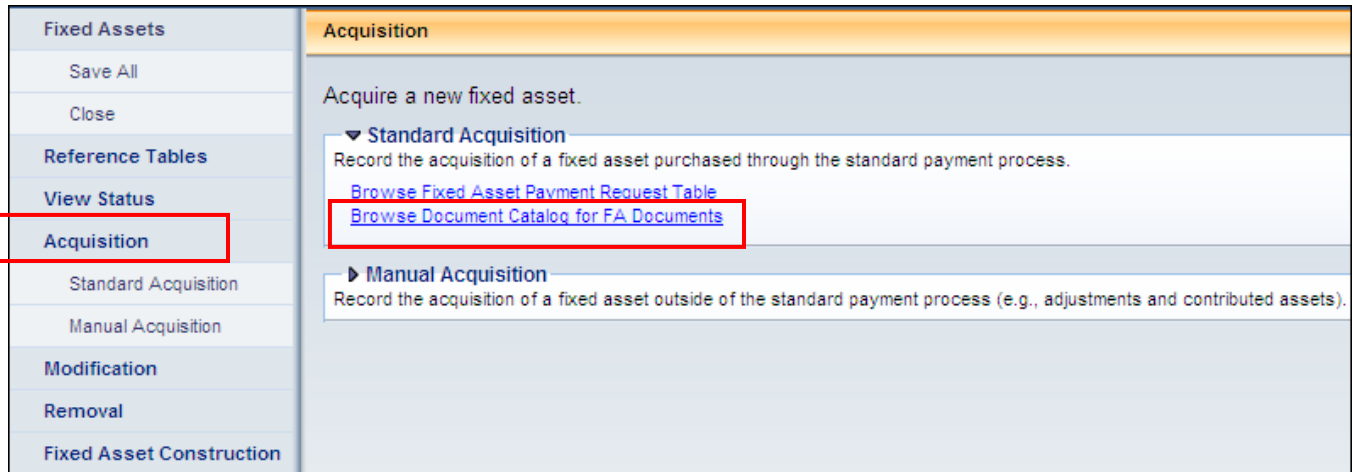
Enter the following information:

- **Code**—FA
- **Dept**—enter your department
- **ID**—enter the prefix (i.e. 2011*)
- **Phase**—Draft

Click Browse.

Click the FA document link under the **Document ID** column. Skip to the Completing the FA shell document section.

## Finding your FA Document via FAPR

Another way to find your FA document is to access FAPR. Search for your PRC document.

If there is more than one commodity line on your PRC document, then more than one record will appear on FAPR.

For each record, there are three places on this table where you can see that a shell was generated:

- In the grid, the **Shell Generated Date** is populated
- In the **Payment Request Details** section, the **Acquisition Date** is populated
- In the **Shells Generated Details** section, the **Shell Generated Date** is populated

The **Shells Generated Details** section displays compiled information (i.e. quantity, generation date, etc.) specific to the payment document

  o **Purge Shell Record**—used to purge a PRC record from the FAPR table. This flag can only be selected and saved once all the generated shells for a FAPR record have been completed and accepted, discarded or accepted with the Unpend Event Type. Once selected, the record will be purged from the table with the next running of the FAPR Purge batch process. This functionality is currently not used in production.

  o **Generate Multiple Shell** flag—selected by the system if the PRC documents Shell Indicator was set to Multi – Shell

  o **Total Capitalized Amount** and **Total Quantity Acquired**—updated when an FA shell document is completed and submitted

  o **Total Quantity Discarded**—displays the number of FA shell documents that have been discarded from the system. This means that you have discarded your FA document when it is in a Draft phase.

  o **Reversed (Unpend) Units** and **Reversed (Unpend) Amount**—updated when a FA Shell is submitted with the Unpend Event Type (FA14)

To view the specific information about the FA document (shell), click Generated Shell Details.

*PRC with 1 Commodity line only— 1 record on FAPR*

**Fixed Asset Payment Request**

| | Document | Doc Dept | Doc Unit | Doc. Id | Doc. VL No. | Doc. CL No. | Shell Generated Date |
|---|---|---|---|---|---|---|---|
| ✓ | PRC | 10A | | 20110406000000001206 | 1 | 1 | 04/06/2011 |

First Prev Next Last

Save Undo Copy    Search

▼ Payment Request Details

Document : PRC                        Commodity : 60003

Doc Dept : 10A                        Quantity/Unit : 1.00000

Doc Unit :                            Total Disbursed Amount : 5500.00

Doc. Id : 20110406000000001206        Acquisition Date : 04/06/2011

Doc. VL No. : 1                       Pending Asset BSA : 0100

Doc. CL No. : 1                       Pending Asset Sub BSA :

Vendor/Customer : VS0000010993

Fixed Asset Type : E

▼ Purchase Order Details

Document : BPO                        Doc. VL No. : 1

Doc Dept : 10A                        Doc. CL No. : 1

Doc. Id : 20110406000000000413

▼ Shell Generation Details

Purge Shell Record : ☐               Total Quantity/Unit Acquired : 0.00000

Generate Multiple Shell : ☑          Total Quantity Discarded : 0.00000

Shell Generated Date : 04/06/2011    Reversed (Unpend) Units : 0.00000

Total Capitalized Amount : 0.00       Reversed (Unpend) Amount : 0.00

Top

⌐ FAPR Accounting Lines    ⌐ Generated Shell Details

The sections on the Generated Shell page are as follows:

- The **Payment Request Details** section displays the PRC document identifier information that created the shell
- The **Fixed Assets Detail** section displays the generated shell document identifier information
- The **Generated Shell Detail** section is similar to the FAPR's section you saw on the previous page, except that this information is specific to one shell (FA document), whereas FAPR provides total amounts summing all commodity lines on a referenced PRC document

Click FA document link, under the **Generated FA Document** column, to view the generated shell.

**NOTE**: on the PRC in the above example, there is one commodity line only with a quantity of **1** so 1 FA document is created.

*PRC with quantity of 1—1 FA document/shell generated*

If the quantity on the PRC document is greater than 1 and Multiple Shell is selected, then several FA documents are generated. In the example below, the quantity on the PRC is **2**, therefore 2 shells are generated.

## *Completing the FA shell document*

The FA document page opens. Click **Edit**.



All shell documents will automatically populate the following fields on the FA document: Doc ID, Vendor Code/Name, Fund, Department, Unit, SubUnit, Activity (if populated on PRC), Object or Balance Sheet Account, Appr Unit and Total Asset Value.

## Header

Populate the following fields in the **General Information** tab:

- Auto Generate FA Number
- Fixed Asset Description

Click the **Responsibility Center** tab.

Populate the following fields:

- Custodian—the entity responsible for the asset
- Fund
- Department
- Unit
- Location

**NOTE:** Although Chart of Account elements are in the Responsibility Center section, all Chart of Account elements are inferred on the Accounting line from the PRC.

Click the **Composite Asset Information** tab.

Populate the following fields:

- Composite Asset—A majority of the state of Maine's assets are composite assets, which means that they depreciate as a whole instead of each component individually
- Fixed Asset Type—Click the pick list and select the best option



- Fixed Asset Group—Click the pick list and select the best option



- Depreciation Method—select Straight Line. For those departments who do not use Advantage to depreciate their assets, please select "Manually Computed".
- Use Life—enter the expected life of the asset
- In-Service Date—if you plan to depreciate your asset, then populate this field
- Depreciation Structure—select Funding Line. For those departments who do not use Advantage to depreciate their assets, please select "Not Applicable".

Click the **Component** accordion tab.

# Component

The Component General Information tab opens. This information is inferred from the PRC document.

Click the **Acquisition Details** tab.



Click the pick list for the **Acquisition Method** to select how the asset was acquired.



Click the **Component Location Details** tab.

Enter the location or click the pick list for the **Location** to select where the asset will be housed.

Click the **Component Classification** tab.

Enter the expected life of the asset in the **Useful Life** field. The other information on this tab inferred from the PRC and the FA Header.

The Accounting section should be all complete because this information inferred from the PRC document and cannot be changed.

Click **Validate** and
**Submit**.

# Updates to FAPR

Navigate back to the FAPR table and search for your PRC document. The Shell Generated Details section is updated now that the FA document is in a Final phase.

**Total Capitalized Amount** and **Total Quantity/Unit Acquired** fields reflect the line amount and quantity of the PRC and FA documents.

## Summary of Shell Generation

To summarize, the specific criteria for creating a shell document are:

- The minimum dollar threshold established on the Fixed Asset Commodity Threshold (COMMFA) is met.
- There must be a PRC reference on the FAPR table that is fully disbursed.
- The user did not override the system default by selecting the "No Shells" option.
- The option to Generate Fixed Asset Shells is selected on the System Options (SOPT) table and is controlled by the Office of the State Controller.
- The commodity code specified on the payment request commodity line is flagged as a fixed asset on the Commodity (COMM) table.

# Unpend an FA shell

If an FA shell was created incorrectly, the user will have to open the Draft FA document and enter FA14 in the event type field to unpend the FA shell. This action will reverse the posting created during the disbursement process. The payment request document referenced by the FA shell below has a pending FA balance.

**NOTE**: If you simply discard the FA document by clicking the **Discard** button, you will have to process a Journal Voucher to debit equity and credit pending asset.

## Submit the FA with Event Type FA14

Open the Draft FA document, either from the Document Catalog or FAPR.

Click **Edit**.

Populate the following fields:

- Document Description—explain why the shell should not create an asset
- Event Type—enter FA14

You will notice on the Posting line that the payment and disbursement postings have been reversed. **Validate** and **Submit** the document. The document will workflow to OSC for approval.



Access the FAPR table and search for the PRC document. The **Reverse (Unpend) Units** and **Reverse (Unpend) Quantity** field should be populated in the **Shell Generation Details** section, once the FA document is in a Final phase. Click Generated Shell Details to view the specific FA document.

# Creating an FA document Manually

There are several cases where an FA document should be created manually, circumventing the shell generation process:

- If the assets (such as donated assets) are not acquired through the procurement system with a PRC document
- If the asset is purchased with a Procurement card (P-card)
- If the asset is accidentally discarded instead of unpended

Fixed Asset Classification of Contributed, Adjustment, and Memo are most common for manually entered fixed asset documents and, although rare, they can also have a classification of Normal.

- o Contributed—the offset balance sheet update is to the Contributed Offset Balance Sheet Account defined by asset type (FATP)
- o Adjustment—the offset balance sheet update is to the Net Adjustment Asset BSA defined by the posting code. If you do not have reference information (PRC/AD), then select this option.
- o Memo—the balance sheet update is to the Memo Balance Sheet Account define by the asset type on FATP.  (**NOTE:** Fixed Asset "memo" balances are carried forward from year to year until the asset is disposed, unlike the "memo" accounts on the BSA table that are temporary. Memo assets are not depreciated.)
- o Normal—only used on shell generated FA documents. Do not use this option if manually creating your FA document

Click the Fixed Assets Workspace. Click **Acquisition**. Click **Manual Acquisition**. Click Fixed Asset Acquisition Document.

The Document Catalog opens. Click Create.

Populate the following fields:

- Enter your document department in the **Dept** field.
- Click **Auto Numbering** checkbox or manually enter your own **ID**.

Click Create.

The FA document pages opens.

## *Header*

Populate the following fields in the **General Information** tab:

- Auto Generate FA Number
- Fixed Asset Description

Click the **Responsibility Center** tab.

Populate the following fields:

- Custodian—the entity responsible for the asset
- Fund
- Department
- Unit
- Location

Click the **Component** accordion bar.

## *Component*

The Component General Information tab opens. Click **Insert New Line**.

Populate the following fields:

- Component—Each component line should have a unique number (i.e. 0001, 0002)
- Commodity—Click the Pick List



- Units—enter the number of units you are acquiring
- Extended Document Description—this is used for reporting purposes. Provide additional information about the commodity/asset

Click the **Acquisition Details** tab.

Click the calendar icon to select the **Acquisition Date**.

Click the pick list for the **Acquisition Method** to select how the asset was acquired.



Click the **Component Location Details** tab.

Click the pick list for the **Location** to select where the asset will be housed.



Click the **Component Classification** tab.

Populate the following fields:

- Fixed Asset Classification—Manually entered assets are usually entered as Adjustment
  - Contributed—the offset balance sheet update is to the Contributed Offset Balance Sheet Account defined by asset type (FATP)
  - Adjustment—the offset balance sheet update is to the Net Adjustment Asset BSA defined by the posting code. If you do not have reference information (PRC/AD), then select this option.
  - Memo—the balance sheet update is to the Memo Balance Sheet Account define by the asset type on FATP.  (**NOTE:** Fixed Asset "memo" balances are carried forward from year to year until the asset is disposed, unlike the "memo" accounts on the BSA table that are temporary. Memo assets are not depreciated.)
  - Normal—only used on shell generated FA documents. Do not use this option if manually creating your FA document
- Fixed Asset Type—Click the pick list and select the best option



- Fixed Asset Group—Click the pick list and select the best option



- Use Life—enter the expected life of the asset
- In-Service Date—if you plan to depreciate your asset, then populate this date

Click the **Cost, Valuation & Depreciation** tab.



Populate the following fields:

- Depreciation Method—select Straight Line. For those departments who do not use Advantage to depreciate their assets, please select "Manually Computed".

- Depreciation Structure—select Funding Line. For those departments who do not use Advantage to depreciate their assets, please select "Not Applicable".

Click the **Warranty** accordion bar, if needed.



The Warranty section of the FA document tracks the warranty of an asset. The State of Maine will not be using this at Go Live but may implement it at a later date.

Click the **Accounting** accordion bar.

## *Accounting*

The Accounting General Information tab opens. Click **Insert New Line**.



Populate the following fields:

- Line Amount—This is the value of the asset
- Funding Fiscal Year— The Fiscal Year associated with the funding used to acquire an asset. For non-Normal assets, this is usually the fiscal year of the accounting line.
- Funding Budget FY— The Budget Fiscal Year associated with the funding used to acquire an asset. For non-Normal assets, this is usually the fiscal year of the accounting line.

Click the **Fund Accounting** tab.

If you have more than one funding source (i.e. federal and general), enter multiple accounting lines for each source. Unlike manual FAs, shells are created with the two lines automatically.

Populate the following fields:

- Fund
- Department
- Unit
- Sub Unit –a combination of the Unit and Sub Unit will infer the Appropriation Unit (Appr Unit)

Click the **Posting** accordion bar.



There is no user entry on the Posting section of the document. The user should review this section to ensure that the debits/credits posted to the appropriate accounts. Click **Validate** and **Submit** the document.



**NOTE:** Fixed Asset Acquisition (FA) documents cannot be modified once they are submitted. To modify an FA document, the user must create one of the fixed asset adjustment documents and enter the Fixed Asset Number to be changed. Adjustment documents will be discussed in later sections.

# 3 – Fixed Asset Betterment (FA)—FA02

The State betters fixed assets through hardware upgrades, the purchase of equipment accessories, and the renovation or expansion of existing real property. Examples include the purchase of a snow plow for an existing Transportation truck or a hard drive for a computer. Significant betterments are tracked as capital assets by the State. The betterment refers to the addition or improvements to existing recorded assets.

The Fixed Asset Betterment (FA) document allows improved functionality for betterments. A betterment can be entered and tracked independently of other betterments or with the original asset. Betterments allow the cost and salvage value of the betterment to be allocated to its own funding sources, independent of the original asset. Most importantly though, Advantage allows for the tracking of utility and acquisition dates for individual betterments.

**NOTE:** If a converted asset has a useful life of zero in the Header record, a betterment cannot be processed to that asset without first processing an FM document. Enter a useful life on the FM document, and then process the Betterment.

To process a betterment to an existing fixed asset:

- Create a new FA document or update the generated shell
- Change the Event type from FA01 to FA02
- Use the pick list to select the appropriate **Fixed Asset Number**
- **Save** the FA document. All asset header fields will be inferred from the Fixed Asset Registry (FAR) table based on the asset's **Fixed Asset Number**

- You must add a unique **Component Number** for each new Component Line processed as a betterment to an existing asset. Click the Pick List to select the Component number and increment by 1. Therefore, if the most recent component number is 0011, then enter 0012.

- A Component is similar to the commodity line on an accounting document. It identifies the commodity-based elements that comprise the fixed asset. The new component is added through the **Component** page under the **General Information** subsection by clicking **Insert New Line**. Each new component is subject to the standard field requirements necessary to describe the attributes associated with the new component, as well as a separate accounting distribution added as accounting lines on the **Accounting** page. Refer to the Completing the FA shell document or Create an FA document Manually sections for more information about submitting an FA document.



## *Approval*

For Fixed Asset Betterments, department approval is required.

# 4 – Fixed Asset Adjustments

The Property Officer is notified of the change to a fixed asset and verifies the need for the change. There are several changes that can occur, which results in the creation of a specific document.

The following documents are fixed asset adjustment documents:

- Adjust the Value (FI)—requires department approval
- Modify the Fixed Asset Information (FM)—Surplus approves if the Location field is 0000 or 9999
- Change in Type of Fixed Asset (FX) —requires department approval
- Adjust the Price (FP)—requires department and OSC approval.

All adjustment documents are generated by accessing the Fixed Asset workspace. Once you select the link to the adjustment document you would like to create, you are transitioned to the Document Catalog page.



## Auto Apply button

When creating fixed asset adjustment documents, always use the Auto Apply button since it carries forward information from the original FA document.

From the Header section **General Information** tab, populate the **Fixed Asset Number** field. Click the **Auto Apply** button. You will notice that many of the fields are now populated.

# Adjust the Value (FI) of the Asset

The Fixed Asset Increase/Decrease (FI) document code is used to record accounting adjustments (increases or decreases) to an existing asset's accounting lines. Adjustments may be necessary to account for additional expenditures, accounting adjustments or accounting reclassifications related to the expense recorded for a specific asset. Any existing line may be increased or decreased by entering a positive or negative dollar amount. New lines may be introduced and existing lines decreased to zero.

The user can either increase or decrease the value of the asset in the Accounting section. If it is a decrease, enter in a negative amount, i.e. -300. The system will automatically put parentheses around the amount if it is a negative amount.

**NOTE:** For manually created FI documents (other than Construction-In-Progress), the user can enter the payment document identifier information in the Reference section for audit trail.

## *Creating the FI document*

Follow the steps as discussed in the Auto Apply section. Once you have entered the Fixed Asset Number and clicked Auto Apply, navigate to the Accounting line.

Enter the change in value of the asset in the **Line Amount** field.

Click the **Header** accordion bar.

Notice the total value of the asset has been changed. In this example, the Fixed Asset Value prior to creating the FI document was $46,145. With the $300 decrease in value, the asset is now valued at $45, 845.

**Validate** and **Submit** the document.

# Modifying incorrect fund accounting information

If the fund accounting information is incorrect for a fixed asset, you can process an FI document with two accounting lines to correct it.

1. Search the Fixed Asset Registry Accounting (FARACTG) table to see if the asset has already been depreciated. Use the **Fixed Asset Number** and **Department** as search criteria.

2. View the **Net Book Value**. This will be the amount you enter on your FI document.

3. Enter a negative accounting line with the current asset value and <u>incorrect</u> accounting information

*1<sup>st</sup> accounting line with negative amount*



*1<sup>st</sup> accounting line with incorrect fund accounting information*

4. Enter a positive accounting line with same asset value and <u>correct</u> accounting information.

**NOTE:** Use the copy icon and **Insert Copied Line** buttons to easily add a 2<sup>nd</sup> accounting line.

*2<sup>nd</sup> accounting line with negative amount*



*2<sup>nd</sup> accounting line with correct fund accounting information*



The Unit and Sub Unit fields (and Appr Unit indirectly) have been modified.

5. **Validate** and **Submit** the FI document.

6.  View the FARACTG table again (once the document has been approved) to notice that two records exist for this fixed asset number. One record is for the incorrect accounting codes and the other is for the correct accounting codes.

This amount ($312.33) was already depreciated under the initial accounting code string.

*1ˢᵗ record on FARACTG with the incorrect accounting codes*

This amount reflects the net book value of the asset that remains after depreciation under the initial accounting string.

*2nd record on FARACTG with the correct accounting codes*

Modify the Fixed Asset information (FM)

The Fixed Asset Modification (FM) document is used to change descriptive fixed asset information only.

The capabilities of the FM document are:

- Adjust the Location. You can adjust the location, as long as it remains in the same department. Also, use the field to notify Surplus that an asset is available for sale by changing the Location field to either 0000 or 9999. This will workflow to Surplus.



- Increase useful life. This value has no accounting impact on the document but will be reflected during the Mass Depreciation process.



- The FM document may be used to record the replacement value of a fixed asset. The replacement value (Valuation Amount) can be recorded through two different documents—the FA and the FM.

The FM document is also used to change composite asset information; only the Header section is modified. You can confirm the changes were made on the Fixed Asset Registry Component (FARCOMP) table.



Additionally there are several new fields on the FM document, which comply with the General Accounting Standards Board (GASB). They are the following:

- Statistical Unit—defines the numerical value of an asset component for the purposes of supporting the reporting of fixed assets on financial statements. On FA documents, this field is automatically blank.

- Statistical UOM (Unit of Measure)—unit of measure associated with the asset component, for example acres or square feet.

- Asset Impairment—once this field is populated, it cannot be returned to blank

## Creating the FM document

Follow the steps as discussed in the Auto Apply section. Once you have entered the Fixed Asset Number and clicked Auto Apply, navigate to the **Composite Asset Information** tab.

Change the life span of the composite asset in the **New Useful Life** field.

**Validate** and **Submit** the document.

# Adjust the Type Change (FX)

There are situations in which assets that have been defined as one Asset Type (for example, Construction-in-Progress) need to be redefined as another Asset Type. To modify the Asset Type, of a specific asset, the Fixed Asset Type Change (FX) document code is processed with the default Event Type (FA08). The FX document can only be used to change the asset type of non-memo assets that have not been previously depreciated. Once an asset is depreciated, the Asset Type may not be changed. The processing of FX documents is appropriate to correct the Asset Type of an asset that was incorrectly entered, or to reclassify an asset from an Asset Type that is not subject to depreciation to a depreciable Asset Type.

For example, the typical use of the FX is to change the Asset Type of records associated with a construction project from Construction in Progress to Buildings, Infrastructure, or some other depreciable asset type. During the construction phase, payments are capitalized as Construction-in-Progress assets. Once the construction project is substantially complete, you can reclassify the Construction-in-Progress balance using the Fixed Asset Type Change (FX).

## *Creating the FX document*

Follow the steps as discussed in the Auto Apply section. Once you have entered the Fixed Asset Number and clicked Auto Apply, navigate to the **Composite Asset Information** tab.

For composite assets, change the fixed asset type on the Header line in the **New Fixed Asset Type** field. Otherwise use the **New Fixed Asset Type** field on the Component line **Asset Type Change Detail** tab.

When changing the fixed asset type, also adjust the **New Fixed Asset Group**.

**Validate** and **Submit** the document.

Notice the current asset classification information is displayed in the **Component Classification** tab.



**NOTE:** The Accounting line cannot be edited.

This page intentionally left blank.

# 5—Fixed Asset Cancellation (FC)

When fixed assets have been submitted successfully into the system, and the record contains errors which cannot be corrected using any adjustment documents, then the cancellation document is completed and submitted. Once submitted, this document removes the fixed asset from all system tables, except the history (FAHIST) table. Do not process an FC on an asset that has already been depreciated in the system; rather dispose of the asset with an FD document (see next chapter) to properly adjust the depreciation and setup a new one with a manual FA Document. Or process an FI document to change the accounting information.

The component to be cancelled on the document is based on the asset number entered in the document **Header.** The components to be cancelled are inferred on the document by clicking **Auto Apply** on the header (if the entire asset is to be cancelled).

It is helpful to remember these cancellation tips:

- A component has to be cancelled completely. There is no partial cancellation of a component, that is, some units of the component cannot be cancelled. Nor can only one accounting line of the component be cancelled. If the amount on one of the accounting lines of a component has to be reduced to zero, the FI document may have to be used; in which case the asset entry will not be removed from the FAR table

- If only a component, and not a complete asset, is cancelled, entries from the FAR Component and FAR Accounting tables relevant to that component will be deleted. The Asset number will not be available to be reused.

- If the complete asset is cancelled, entries from the FAR Header, FAR Component and FAR Accounting tables will be deleted. The Asset number will be available to be reused

- If there are any FAPR references on the document and the asset is cancelled, no FAPR updates/reversals will take place. However, the shell generation detail is updated by removing the shell reference from the listing on the FAPR table

-  If a user wants to create an asset with the FAPR reference that was on the cancelled document, a user manually creates a new asset with the same information as on the Cancelled asset

# Cancelling an Asset

Access the FC document via the Fixed Asset workspace. Click **Removal**. Click **Cancellation** and select Fixed Asset Cancellation Document.



Follow the steps as discussed in the Auto Apply section. Once you have entered the Fixed Asset Number and clicked **Auto Apply**, navigate to the Component line.

Confirm that you want to cancel all components associated with this fixed asset number.

**NOTE:** If you only want to cancel certain components, click the trash icon ![trash icon] on the component line(s) that you do not want to cancel. Therefore, you are deleting the line that you do not want to cancel, thereby, the FC document contains the line that you do want to cancel.

**Validate** and **Submit** the document.



## *Approval*

The FC document requires department and OSC Accounting approval.

## *Table Updates*

As stated above, once an asset is cancelled, the fixed asset number and records are deleted from Fixed Asset tables, except for the FAHIST table.

Notice the screen show below shows the corresponding FA document; all adjustment documents will appear here also if the original asset is modified.

# 6 – Fixed Asset Disposition (FD)

This document allows you to record the disposition of existing assets. Examples of disposition for items are: destroyed, obsolete, traded in, sold, discarded, donated, vandalized, etc.

A Fixed Asset Disposition (FD) document must be processed with the appropriate disposition method, disposal reasons, comments and asset description. The disposition methods are pre-defined by Office of the State Controller in the Fixed Asset Disposition Method (FADM) table.

**Acquisition Disposition**

| | Acquisition/Disposition | Acquisition Disposition Method | Acquisition Disposition Method Short Name | Gain/Loss Posting |
|---|---|---|---|---|
| ✓ | Disposition | C | Coding Error | Expense |
| | Disposition | D | Destroyed | Expense |
| | Disposition | L | Lost | Expense |
| | Disposition | O | Other | Revenue |
| | Disposition | R | Transfer | Expense |
| | Disposition | S | Sold | Revenue |
| | Disposition | T | Trade | Expense |
| | Disposition | V | Van/Theft | Revenue |
| | Disposition | W | Worn | Expense |
| | Disposition | X | Lease Term | Expense |

First Prev Next Last

Save Undo Delete Insert Copy Paste     Search

Acquisition/Disposition : Disposition

Acquisition Disposition Method : C

Acquisition Disposition Method Name : CODING ERROR

Acquisition Disposition Method Short Name : Coding Error

Gain/Loss Posting : Expense

Using the FD, it is helpful to remember these tips:

- Betterments can be disposed of independently from the original asset
- Advantage enables you to record:
  - the disposition of an asset and all of its components (composite or non-composite assets)
  - the disposition of individual components only for non-composite assets
  - the disposition of a portion of the available units for components with multiple units, only for non-composite assets.
- The FD marks fixed assets tables with results of the disposition, where it remains until it is archived
- The FD disposition document does require that you click **Auto Apply** on the document header. If the asset has more than one component and not all will be disposed of, then simply delete those component lines by clicking the trash icon 🗑. This is only available for non-composite assets.
- For a lost or stolen fixed asset, an FD document should only be processed after the department has exhausted its recovery options
- For composite assets, the Disposition Method is required for each disposed asset. Valid disposition methods are defined on the Fixed Asset Disposition Method (FADM) table
- The FD recognizes a gain or loss and generates the appropriate accounting (including depreciation) to dispose the asset off the books. Cash Receipts (CR) documents will continue to be entered to record cash and revenue for the proceeds from the sale of an asset.

The disposition information should only be entered on the Header if it is a composite asset, otherwise it should be entered on the component section.

Only the Disposition Details can be entered on this document.  For non-composite asset, go to the Component tab and enter in the fields:

- Disposition Date – defaults to current date
- Disposition Method – required
- Disposed Units – defaulted
- Selling Price – optional
- Depreciation Amount – defaulted [the Fixed Asset Disposition (FD) document records disposition of a fixed asset and also generates ledger postings to record 'catch-up' depreciation expense for the period between the asset's Last Depreciation Date, if not already depreciated then it will start from the depreciation date specified for the asset type, and the provided Disposition Date]
- Disposition Authority - optional
- The Gain/Loss amount will be calculated by the system and the Gain/Loss Account Type will be inferred based on the disposition method
- The **Accum Depr** field will automatically calculate once the document is submitted

# Creating the FD Document

Access the FD document via the <u>Fixed Asset</u> workspace. Click **Removal**. Click **Disposal** and select <u>Fixed Asset Disposition Document</u>.



Follow the steps as discussed in the Auto Apply section. Once you have entered the Fixed Asset Number and clicked **Auto Apply**, navigate to the **Composite Asset Information** tab.

If your **Depreciation Method** is set to **Manually Computed**, then enter **0** in the **Depreciation Amount** field if you have been recording depreciation manually. This amount will infer to the Component line.

Click the **Disposition Information** tab.



Populate the following fields:

- Disposition Date – enter date disposed or sold
- Disposition Method – required, see options in the pick list or FADM table.
- Disposition Authority– possible descriptions are:
  - Sold at Auction
  - Traded to
  - Transferred to

Click **Validate** and **Submit.**

## For Surplus Items

The FD Document also has the ability to allocate the revenue from a fixed asset sale to the appropriate funding source for that asset. Surplus will record the disposition documents for items sold through Surplus. Remember to process the FM document to change the location to 0000 or 9999 in order to workflow to Surplus for disposal.

## For Internal Sale and Transfers

A Fixed Asset Internal Sale transaction is when an asset is sold or transferred:

- from one Fund type (Government & Proprietary) to another,
- between two different Proprietary Funds or
- between two different departments between the same or different fund types

Process an FD document to initiate an internal sale or transfer. Transfers should be completed within the same fiscal year, so be sure to coordinate your transfers with the new department. Otherwise, the purchasing department will run into posting errors on the new FA document.

These scenarios are detailed below.

### *Sold or Transferred within the Same Department*

If the asset is sold or transferred within the <u>same</u> department, complete the following steps:

#### Creating the FD document

1. Create the FD document and enter the Fixed Asset Number of the asset to be disposed of and click **Auto Apply** to bring the information forward. Event Type FAM1 should be used for an internal sale transaction.
2. The FD document will workflow to Surplus for approval.
3. Once the FD document is approved by Surplus, the user will utilize the Copy Forward function on the FD document to create an FA document to complete the internal sale.

#### Creating the FA document

Once the FA document page opens, the user will click **Auto Generate** checkbox to create a new fixed asset number and select the Event Type FAM2 (Acquire a Fixed Asset Internally).

Populate the following fields on the FA document:

- The **Responsibility Center Department** and **Unit** fields are required; the user can choose to enter in a new Responsibility Center Department and Unit, if desired.
- Most fields on the Component section may still be manually modified. As a result, the system invokes edits to ensure that values entered on the FA document match the values stored on the fixed asset registry Component Line(s) for the internally disposed asset. The following edits apply:
  - Acquired Units = Internal Sale units

- o Acquisition Date = Internal Sale / Disposition Date
- o Internal Gain or Loss on FA = Internal Sale Gain Loss amount on FD
- o Component value = Internal Sale – (Asset Cost – Depreciation)
- The **Internal Sale Details** section displays the details of the disposition of the asset that is being acquired.
- The amount of the asset that is being acquired has to be the same as the net book value of the disposed asset.
- The **Funding Fiscal Year** and **Funding Budget FY** are required fields that have to be entered by the user on the Accounting Line.
- The Fund Accounting information should be  changed in the accounting section, such as the Fund, Dept, Unit, and Sub Unit.

## *Sold or Transferred within the Different Departments*

If the Fixed Asset is sold or transferred between two <u>different</u> departments, complete the following steps.

## Creating the FD document

1. The selling department will create the FD document and enter the Fixed Asset Number of the asset to be disposed of and click **Auto Apply** to bring the information forward. Event Type FAM1 will be used for an internal sale transaction.
2. The FD document will be workflowed to Surplus for approval.
3. Surplus will request the fund accounting information from the buying agency in order to complete the FA document.

## Creating the FA document

Surplus will click **Auto Generate** checkbox to create a new fixed asset number and select the Event Type FAM2 (Acquire a Fixed Asset Internally). This step needs to be completed by Surplus due to security access between departments.

Surplus will populate the following fields on the FA document:

- The **Responsibility Center Department** and **Unit** fields are required; the user can choose to enter in a new Responsibility Center Department and Unit, if desired.
- Most fields on the Component section may still be manually modified. As a result, the system invokes edits to ensure that values entered on the FA document match the values stored on the fixed asset registry Component Line(s) for the internally disposed asset. The following edits apply:
  - Acquired Units = Internal Sale units
  - Acquisition Date = Internal Sale / Disposition Date
  - Internal Gain or Loss on FA = Internal Sale Gain Loss amount on FD
  - Component value = Internal Sale – (Asset Cost – Depreciation)
- The **Internal Sale Details** section displays the details of the disposition of the asset that is being acquired.
- The amount of the asset that is being acquired has to be the same as the net book value of the disposed asset.
- The **Funding Fiscal Year** and **Funding Budget FY** are required fields that have to be entered on the Accounting Line.
- The new fund accounting information for the purchasing department needs to be entered on the accounting line (Fund, Dept, Unit, and Sub Unit)

# Change the Price (FP)

The Fixed Asset Price Change (FP) document records a change in the sales price of a disposed asset. Please note, this means that a **Disposition Method** of **S** (Sold) should have been entered on your FD document.

The Disposition Authority, Disposition Method, and Disposition Date fields can be modified for composite assets on the Header and for non-composite assets on the Component tab. The old information for the fields will display on the left-side of each section.

The Disposition Date can only be modified if a Change in Selling Price is entered and is not zero dollars. However, the Disposition Authority and the Disposition Method fields can be modified without a change in selling price.

If the change in price is being applied to the entire asset (composite asset), the user must make the changes on the document header. If the change is to an individual component, it must be made on the component section, as seen in the screen shot below.

The user can distinguish if it is an increase or a decrease in selling price. By entering in the minus sign (-) in front of the number it is a decrease; and by entering in the number without a minus, it is an increase.  The system will automatically put parentheses around the price if it was entered in as a decrease.

**NOTE:** If the Disposition Date is modified, information entered on this document will not update the Deprecation.

## *Creating the FP document*

Access the FP document via the Fixed Asset workspace. Click **Removal**. Click **Sale** and select Fixed Asset Selling Price Change Document.

Follow the steps as discussed in the Auto Apply section. Once you have entered the Fixed Asset Number and clicked **Auto Apply**, navigate to the **Component** line.

Enter the **Change in Selling Price** in the **Disposition Details** tab.

**Validate** and **Submit** the document.



## *Approval*

Fixed Asset Dispositions require department and OSC Accounting approval.

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# 7 – Fixed Asset Depreciation (FE and ME)

- There are two depreciation documents in Advantage: The FE document is used to correct depreciation manually in Advantage.
- The ME document is used for mass depreciation and is generated by a batch job. When an asset is set up for Straight Line Deprecation in the **Depreciation Method** field, the system generates the ME document. The ME document does not appear on the Document Catalog, but you are able to view it on the Fixed Asset Accounting Journal (JFAAJ) table.

The following is criteria for asset selection for depreciation:

- Depreciation Method = Straight Line
- Depreciation Indicator = Funding Line
- Component Value > $0
- Component Net Book Value > Salvage Value
- In Service Date is populated


The following fixed assets types are set to be non-depreciable on the Fixed Asset Type (FATP) table:

- Construction in Progress
- Land
- Infrastructure
- Historical Treasures and Art

The **Depreciation Indicator** is not checked, the **Depreciation Date** Indicator is set to Not Applicable, and the **Accumulated Depreciation Account** field is blank.

# Creating the FE document

To adjust the depreciation from an original Fixed Asset Acquisition (FA) document, follow the steps as discussed in the Auto Apply section. Once you have entered the Fixed Asset Number and clicked Auto Apply, navigate to the **Composite Asset Information** tab.

For composite assets, adjust the Depreciation amount field on the Header line. For non-composite assets, adjust the Depreciation amount field on the Component line in the **Cost, Valuation & Depreciation** tab.



If there are multiple components associated with the composite asset, then the depreciation is calculated at each component line. If you navigate to the Posting line, you will notice that the depreciation amount is much less than the Depreciation Total that you entered at the Header line.

Click the eye icon to see posting details.

**NOTE:** The Fund is 100 because this is a governmental asset.

Click **Validate** and **Submit**.



# Depreciation Tables

Two new tables have been added to Advantage to track depreciation and more accurately calculate depreciation. :

1. Depreciable Elements Change (DEPEC) table
2. Depreciation History (DEPH) table

Depreciation is calculated by taking into account the Effective Date from the above tables.

## *Depreciable Elements Change (DEPEC) table*

The DEPEC table stores the old and new values for fields that impact depreciation, along with status indicators (Active flag and Process Date) to identify when and if the record was already considered by depreciation logic. The depreciation calculation routine, in the FA documents and the Mass Depreciation process, reads this table before calculating the depreciation and uses the data from this table in the depreciation calculation. Manual updates are not allowed on this table.

Fixed Asset documents with Betterment, Asset Value Increase / Decrease and Modification Event Types will <u>insert</u> records into this table. Fixed Assets documents with Mass Depreciation, Manual Depreciation, Transfer and Disposition Event Types will <u>update</u> the records on this table.

## *Depreciation History (DEPH) table*

The DEPH table stores the depreciation amount calculated using the DEPEC table's values. The Depreciation History table stores this information for reporting and audit trail purposes. Records are inserted by FA documents with Transfer and Disposition Event Types and the Mass Depreciation process. Manual inserts are not allowed on this table.

Transition back to the DEPEC table by clicking the <u>FA Depreciation Elements Changes</u> link.

**FA Depreciation History**

| Fixed Asset Number | Component Number | Depreciation Begin Date | Depreciation End Date | Depreciation Amount |
|---|---|---|---|---|
| ✓ 20090000282 | 0001 | 09/01/2010 | 09/02/2010 | $84.28 |

First Prev Next Last

Search

▼ General Information

Fixed Asset Number : 20090000282          Depreciation Begin Date : 09/01/2010

Component Number : 0001          Depreciation End Date : 09/02/2010

DEPEC Record Number :          Depreciation Method : Straight Line

Depreciation Amount : $84.28

Process Date : 10/19/2010

Top

FA Depreciation Elements Changes          Fixed Asset Registry Component

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# 8—Fixed Asset Inquiry Tables

There are several Fixed Asset tables that you will find helpful when searching for specific fixed asset information. Examples of searchable fields are asset location, serial number, responsible department, custodian, and payment document.

Most of these tables were reviewed in the training book. For those not previously discussed, screen shots have been provided.

- Fixed Asset Type (FATP)—establishes specific balance sheet accounts and options to be associated with each asset type. The FATP table is where asset types are defined as being depreciable or not.
- Fixed Asset Disposition Method (FADM)—contains acquisition codes to reflect both ownership and acquisition method
- Fixed Asset Group (FAGRP)—describes fixed assets at a more detailed level than asset Fixed Asset Type

**Fixed Asset Group**

| Fixed Asset Group | Fixed Asset Group Short Name | Fixed Asset Type |
|---|---|---|
| 0300 | ADMINISTRATION | C |
| 0304 | AUDIO EQUIPMENT | E |
| 0306 | CABINETS, METAL | E |
| 0308 | CABINETS, WOOD | E |
| 0310 | CAPITOL | B |
| 0310 | CALCULATORS, DE | E |
| 0310 | COPYRIGHTS | T |
| 0312 | CALCULATORS, PO | E |
| 0314 | CAMERAS | E |
| 0316 | CUTTER, PAPER | E |

First Prev Next Last

Save Undo Delete Insert Copy Paste    Search

\*Fixed Asset Group : 0300

Fixed Asset Group Name : Administration

Fixed Asset Group Short Name : ADMINISTRATION

\*Fixed Asset Type : C

Construction Work In Progress

Fixed Asset Group Class : 030

Administration

Fixed Asset Group Category :

- Fixed Asset Group Class (FAGCS)—used for reporting purposes only. Fixed Asset Group classes are collections of related fixed asset groups

| | Fixed Asset Group Class | Fixed Asset Group Class Short Name | Fixed Asset Type |
|---|---|---|---|
| ✓ | 030 | Admin | B |
| | 030 | Admin | C |
| | 030 | Admin | E |
| | 030 | Admin | L |
| | 030 | Admin | T |
| | 030 | Admin | X |
| | 035 | Bldg Related | I |
| | 060 | Agriculture | B |
| | 060 | Agriculture | C |
| | 060 | Agriculture | E |

First Prev Next Last

Save Undo Delete Insert Copy Paste    Search

*Fixed Asset Group Class : 030

Fixed Asset Group Class Name : Administration

Fixed Asset Group Class Short Name : Admin

*Fixed Asset Type : B

Buildings

- Location (LOC)—allows you to define location codes and associated information related to the location



Description field can be populated with the Room Number.

- Location Class (LCLS)—allows you to define the valid location classes for locations in your system. The location class is a rollup level for the location. This element is used for reporting purposes

- Commodity Fixed Asset Threshold (COMMFA)—maintains the threshold (minimum amount) for purchases to be considered a fixed asset for a specific commodity code—department combination. Individual purchases under the Threshold amount would not be considered a fixed asset. Individual purchases equal to or greater than the Threshold amount will be considered a fixed asset.

- Fixed Asset Capitalization Criteria (FACC)—defines the minimum criteria for fixed asset types by department. The table is used in the evaluation of the Fixed Asset Acquisition/Betterment (FA) document.

- Fixed Asset Payment Request (FAPR)—tracks the status of shell generation by commodity line. The Fixed Asset Payment Request (FAPR) contains entries from Advantage Accounts Payable payment documents that include Fixed Asset Commodity Codes. Once the payment has been completed, the Shell Generation Process creates the 'Shell'. These documents require additional online data entry to complete all of the information required for Fixed Asset Acquisitions or Betterments. In other words, additional data entry is required.

- Fixed Asset Accounting Journal (JFAAJ)—This page serves to give users a view into the journal lines from processing fixed asset documents. It is a source of data that can be utilized for many reports and processes in the fixed asset area of the application.

**Fixed Assets Accounting Journal**

| | Run Tm | Document ID | FA Number | Component | Accounting Line | Posting Line | Dr/Cr | Pstng Am |
|---|---|---|---|---|---|---|---|---|
| ✓ | 04/06/2011 | FA 10A 20110406000000000048 | 20110000275 | 0001 | 1 | 2 | D | $5,500.00 |
| | 04/06/2011 | FA 10A 20110406000000000048 | 20110000275 | 0001 | 1 | 2 | C | ($5,500.00) |
| | 04/08/2011 | FD 10A 20110408000000000027 | 20110000275 | 0001 | 1 | 2 | C | ($7.53) |
| | 04/08/2011 | FD 10A 20110408000000000027 | 20110000275 | 0001 | 1 | 2 | D | $7.53 |
| | 04/08/2011 | FD 10A 20110408000000000027 | 20110000275 | 0001 | 1 | 1 | C | ($5,492.47) |
| | 04/08/2011 | FD 10A 20110408000000000027 | 20110000275 | 0001 | 1 | 4 | D | $5,492.47 |
| | 04/08/2011 | FD 10A 20110408000000000027 | 20110000275 | 0001 | 1 | 3 | D | $7.53 |
| | 04/08/2011 | FD 10A 20110408000000000027 | 20110000275 | 0001 | 1 | 3 | C | ($7.53) |

First Prev Next Last

Search

**▼ General Accounting**

| | |
|---|---|
| Doc Record Date : 04/06/2011 | Ln Func : Non-Standard |
| Fiscal Period : 10 | Pstng Am : $5,500.00 |
| Fiscal Year : 2011 | Dr/Cr : D |
| Budget FY : 2011 | Incr/Dcrs : I |
| Fiscal Quarter : 4 | FA Number : 20110000275 |
| Event Type : FA01 | Component : 0001 |
| Event Category : FA | Accounting Line : 1 |
| Pstng Prin : A | Posting Line : 2 |
| Posting Code : F002 | Run Tm : 04/06/2011 |

▶ Fund Accounting

▶ Organizational

▶ Cost Accounting

▶ Other Chart of Accounts

▶ COA Rollups

▶ Document and Disbursement Information

▶ Miscellaneous

Top

⌐ FA History

Fixed Asset Registry (FAR) table, which is updated through the use of specific Fixed Asset Documents and Event Types, stores the current status of an asset and is made up of the following three tables:

- Fixed Asset Registry Header (FARHDR) —contains the Fixed Asset Number and Description, summary asset cost and Responsibility Chart of Account elements.
- Fixed Asset Registry Component (FARCOMP) —contains the Acquisition/Betterment details for each Fixed Asset Component

**Fixed Asset Registry Component**

Menu

| | Fixed Asset Number | Component Number | Component Value | Commodity Code |
|---|---|---|---|---|
| ✓ | 20110000275 | 0001 | $0.00 | 60003 |

First Prev Next Last

Search

**▼ General Information**

Fixed Asset Number : 20110000275        Component Value : $0.00
Component Number : 0001        Component Accumulated Depreciation : $0.00
        Component Net Book Value : $0.00
        Historic Asset Cost : $5,500.00

**▼ Asset Classification & Location**

Classification Indicator : Normal        Location : 0006
        Asset Type : E        PERSONNEL
        Equip        Sub Location :
        Asset Catalog :        Complex / Building :
        Asset Group : 0386
        TYPEWRITERS, EL
        Asset Group Class : 030
        Admin
Asset Group Category :
        Base Asset Flag : ☑

**▶ Asset Details**

**▼ Acquisition /Disposition Details**

Acquisition Date : 04/06/2011        Disposition Date : 04/08/2011
Acquisition Method : p        Disposition Method : L
        Purchase        Lost
Purchasing Authority :        Disposition Authority :
        Vendor Code : VS0000010993        Disposed Units : 1.00000
        Vendor Name : JYK INC        Gain/Loss Account Type : Expense
        Alias/DBA :        Selling Price : $0.00
Original Acquisition : ☑        Memo Disposal Value : $0.00

**▼ Valuation /Reorganization Details**

Valuation Amount : $0.00        Reorganization Date : 04/07/2011
Last Valuation Date :        Replacement Date :
Valuation Selection Date :

**▼ Depreciation**

        Date Indicator : In Service Date        Useful Life : 4
Depreciation Structure Indicator : Funding Line        Salvage Value : $0.00
        Depreciation Method : Straight Line        Closing Costs : $0.00
        Depreciation Indicator : ☑        In Service Date :
        Last Depreciation Date :

**▼ Balance Sheet Account**

Asset BSA : 0115        OBSA : 0100        Accumulated Depreciation BSA : 0120
Asset SBSA :        Sub OBSA :        Accumulated Depreciation SBSA :

**▶ Internal Sale Details**

Top

Fixed Asset Registry Accounting    FA Depreciation History    FA Depreciation Elements Changes    Fixed Asset Warranty    Fixed Asset Repair & Maintenance

Fixed Asset Registry Header

- Fixed Asset Registry Accounting (FARACTG)—records the funding information including Fund and Detailed Accounting Distributions; an FA document can have multiple accounting lines to track funds by multiple sources, e.g., 20% federal, 80% state

- The Fixed Asset History (FAHIST) table—records all documents which have been processed for the asset number and provides a history of all the accounting and non-accounting transactions for each individual Fixed Asset record

- The Custodian (CUSD) table validates who has custody of the asset. The Custodian is limited to 10 characters

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# 9 – Reporting

In the Fortis system, there are seven reports.

- Fixed Asset Accumulated Depreciation – FA01
- Fixed Asset Transaction Detail – FA02
- Fixed Asset Current Depreciation – FA03
- Fixed Asset by Location – FA04
- List of Fixed Assets by Dept (Department) and Location – FA04A
- List of Active Fixed Assets – FA06
- Fixed Asset Label (BARCODE) Listing Report – FA09
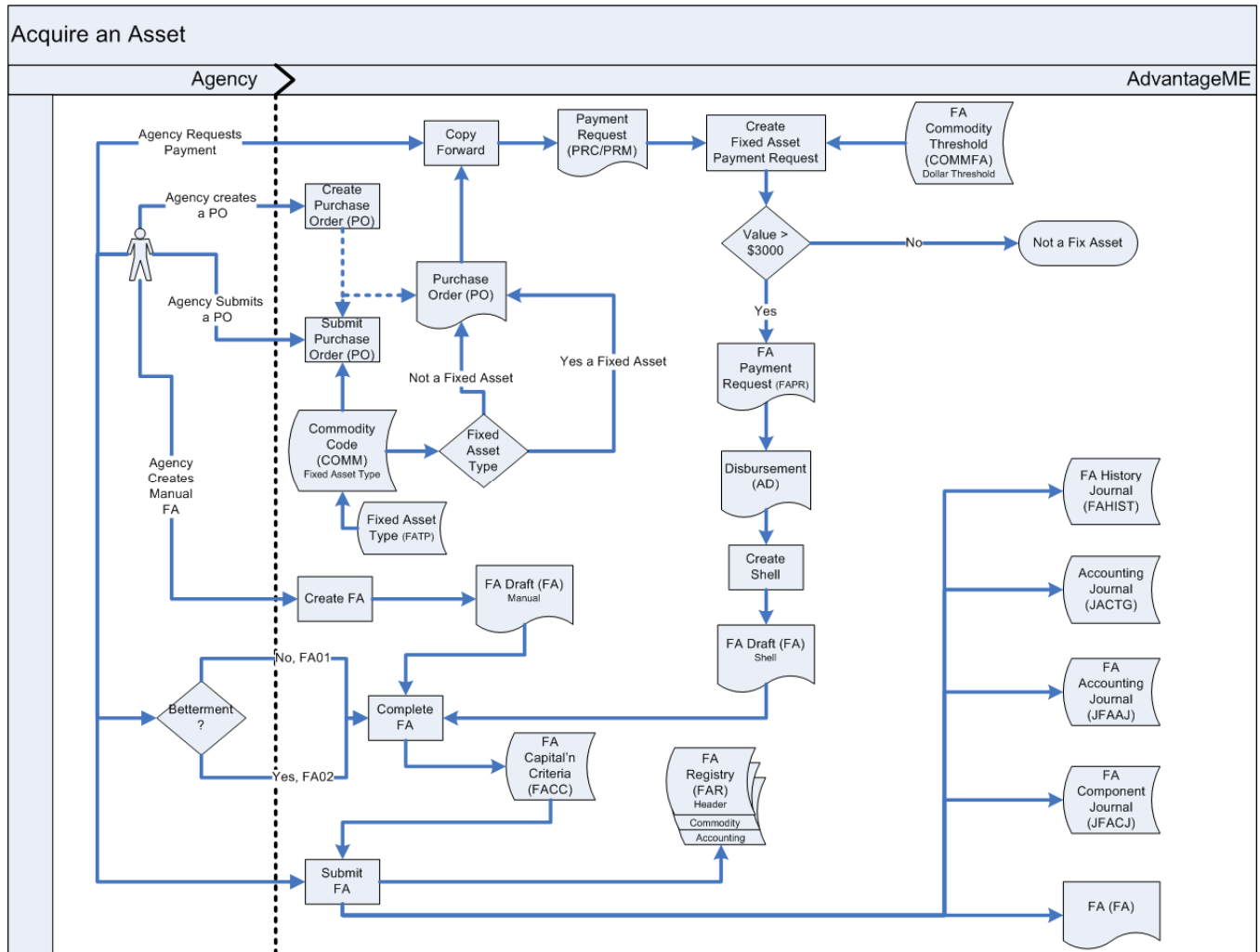
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# 10 – Summary

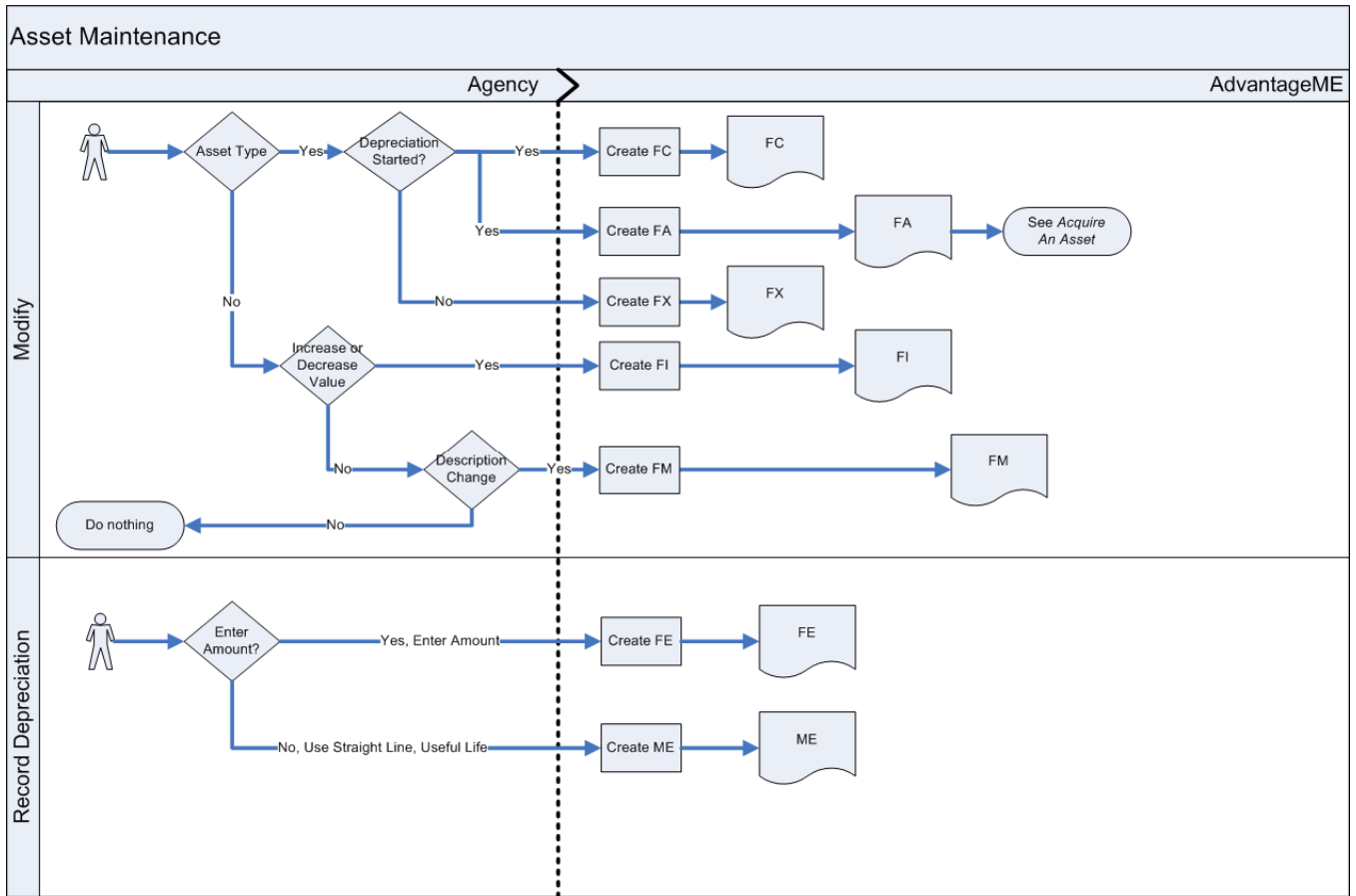Fixed Asset Business Process Summary

- Acquisition—When a fixed asset is acquired, an FA document is created. The FA establishes a master record and is the first detail record for the master asset. The Shell Generation offline process creates Fixed Asset "shell" documents based on updates to the Fixed Asset Payment Request (FAPR) table that result from accepted payment request and disbursement documents related to the purchase of capital assets

- Betterment—The State betters fixed assets through hardware upgrades, the purchase of equipment accessories, the renovation or expansion of existing real property. An FA document is created to record improvement of a fixed asset

- Adjustments—There are four adjustments that can be made to a fixed asset: the Fixed Asset Increase/Decrease (FI) document is used to change asset cost and funding source; the Fixed Asset Modification (FM) document is used to change descriptive fixed asset information, excluding accounting and location information; the Fixed Asset Type Change (FX) document is used to adjust the type of fixed asset, i.e. from a vehicle to equipment.

- Depreciation—There are two depreciation documents in Advantage. Both documents require department approval. The FE document is used to correct depreciation manually in Advantage. The ME document is used for mass depreciation and is generated by a batch job. When an asset is set up for Straight Line Deprecation in the **Depreciation Method** field, the system generates the ME document. The ME document does not appear on the Document Catalog, but you are able to view it on the Fixed Asset Registry tables.

- Cancellation—When fixed assets have been submitted successfully into the system, and the record contains errors which cannot be corrected using any adjustment documents, then the cancellation document is completed and submitted

- Disposition— The retirement of a fixed asset due to sale, destruction, obsolescence, vandalism, etc. The Fixed Asset Disposition (FD) document records the retirement of the asset, the depreciation of the asset, offsets the revenue from the sale of the asset, and recognizes any gain or loss

- Inquiry Tables—Several tables are available to verify asset number, asset type, dollar threshold, acquisition code and method, shell generation with commodity line and the current status of an asset
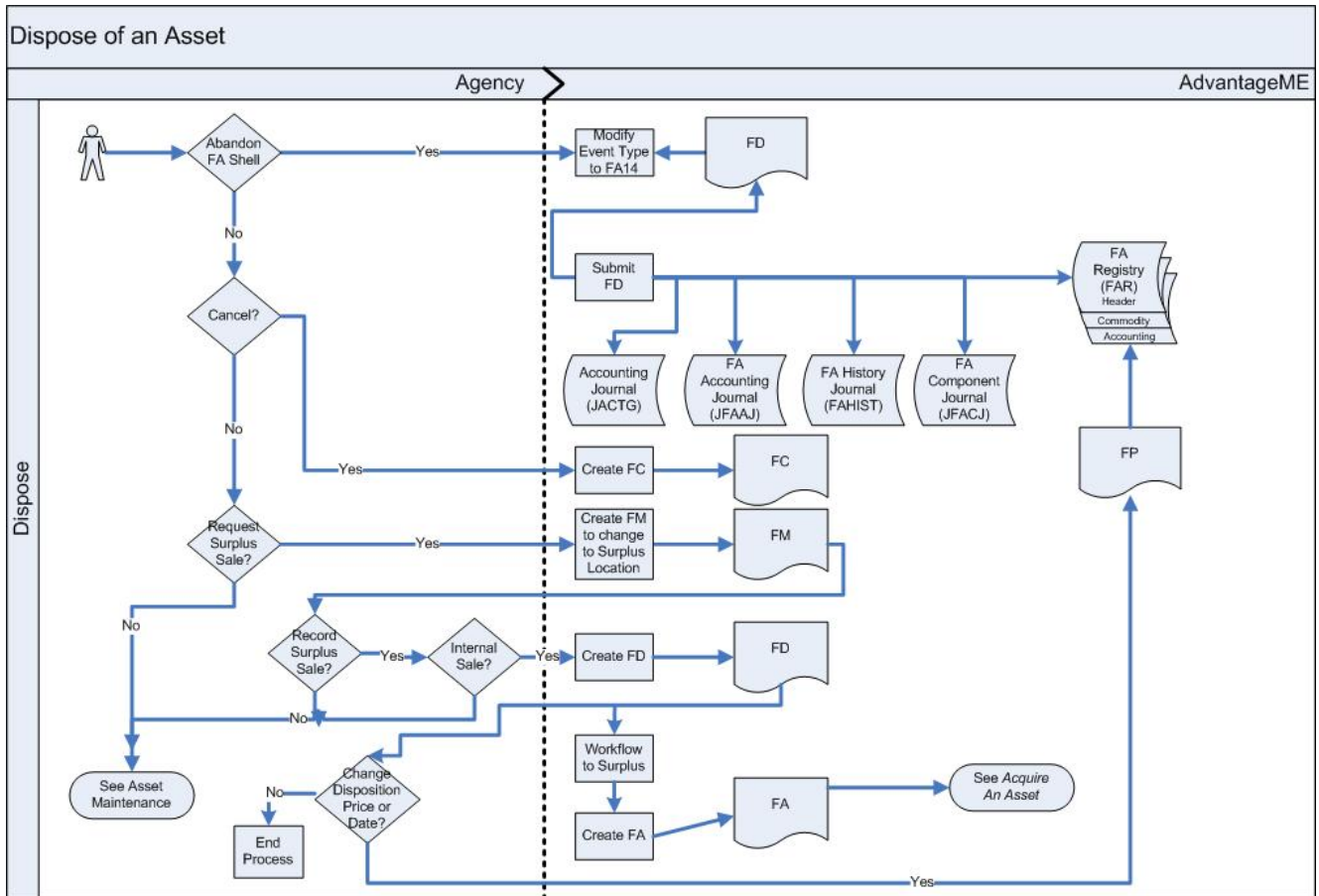
Here are several diagrams that summarize the Fixed Asset processes:

- Acquisition of an Asset
- Maintenance of an Asset
- Disposal of an Asset

## Asset Maintenance

**Agency** | **AdvantageME**

### Modify

Asset Type —Yes→ Depreciation Started? —Yes→ Create FC → FC

Depreciation Started? —Yes→ Create FA → FA → See *Acquire An Asset*

Depreciation Started? —No→ Create FX → FX

Asset Type —No→ Increase or Decrease Value —Yes→ Create FI → FI

Increase or Decrease Value —No→ Description Change —Yes→ Create FM → FM

Description Change —No→ Do nothing

### Record Depreciation

Enter Amount? —Yes, Enter Amount→ Create FE → FE

Enter Amount? —No, Use Straight Line, Useful Life→ Create ME → ME

Dispose of an Asset

# Appendix A—Agency Training Leads

Agency Training Leads are your point of contact for questions you have regarding Advantage or registering for training classes. The complete list of Leads by Service Center can be found on the OSC website.